

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 160

(Chair, Judicial Proceedings Committee)(By Request -
Departmental - State Police)

Judicial Proceedings

Judiciary

**Public Safety - Licensed Firearms Dealers - Notification Regarding
Compromising Events**

This departmental bill requires a licensed firearms dealer to notify the Secretary of State Police within 24 hours after the dealer first has knowledge that (1) there has been a burglary, attempted burglary, robbery, or theft involving a firearm or ammunition at the premises on which the licensed dealer operates or where firearms are stored or (2) a required security feature has been compromised, as specified. The required notice is in addition to any report made to the local law enforcement agency or the Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATFE). The bill also alters existing penalties that apply to the failure to meet the required security features. A person who violates the bill is subject to existing penalties, as altered by the bill.

Fiscal Summary

State Effect: The bill's requirements can be handled with existing budgeted resources. The bill's changes to existing civil penalty provisions and their application to violations of the bill are not anticipated to materially affect State revenues.

Local Effect: None.

Small Business Effect: The Department of State Police (DSP) has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment. (The attached assessment does not reflect amendments to the bill.)

Analysis

Bill Summary: A compromised security feature that prompts notification under the bill includes (1) the failure of equipment to film and record video footage, as specified; (2) the failure of a feature to prevent unauthorized entry, as specified; (3) the failure of a burglary alarm system to allow for monitoring, as specified; or (4) the failure of a physical barrier to prevent a breach, if utilized, as specified.

The bill alters the existing civil penalty that applies to the failure to meet the required security features by establishing that (1) a violator is subject to a maximum civil penalty, imposed by the Secretary of State Police, of \$250 for a first violation and (2) the existing maximum civil penalty of \$1,000, imposed by the Secretary, applies for a second or subsequent violation. Existing provisions relating to suspension or revocation of a dealer's license – that apply to knowing and willful subsequent violations – are unchanged by the bill.

Current Law: Chapter 55 of 2022 prohibits a licensed firearms dealer from conducting business and storing firearms at a location unless (1) the premises on which the licensed dealer operates is equipped with specified security features or (2) outside business hours, the licensed dealer locks all firearms stored on the premises in a vault, a safe, or a room or building that meets specified requirements. The Secretary of State Police must adopt rules and regulations to determine whether a licensed dealer has met the requirements. Pursuant to current regulations, the Secretary (1) must inspect the security requirements of a licensed dealer at least once every two years and (2) may inspect the security requirements at any time before being approved for a license, as a follow-up to a noncompliant inspection, during required inventory and record audits, and following a burglary/theft or attempts thereof.

A violator is subject to a maximum civil penalty of \$1,000 imposed by the Secretary. In addition to the civil penalty, a person who knowingly and willfully violates the requirements is subject to (1) for a second offense, suspension of the person's dealer's license, with the suspension remaining in effect until compliance is regained and (2) for a third or subsequent offense, revocation of the person's dealer's license. These penalties do not apply if the equipment or alarm system became temporarily inoperable at no fault of the licensed dealer.

Background: According to ATFE, during calendar 2024, licensed firearms dealers in the State reported 248 firearms lost or stolen. DSP advises that the bill is part of the department's strategy to combat gun violence in the State by ensuring that each licensed firearms dealer maintains the integrity of the required security features for the business. DSP reports that it conducts annual inspections of licensed firearms dealers for compliance with all statutory and regulatory requirements; however, a dealer is not required to notify

DSP or any law enforcement entity if there is a failure of the security features or if the features have been compromised. DSP believes that any reported failure in security requirements should be inspected before the dealer is allowed to continue to store firearms at the location.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: HB 284 (Chair, Judiciary Committee)(By Request - Departmental - State Police) - Judiciary.

Information Source(s): Department of State Police; Bureau of Alcohol, Tobacco, Firearms, and Explosives; Department of Legislative Services

Fiscal Note History: First Reader - January 19, 2026
js/lgc Third Reader - March 17, 2026
Revised - Amendment(s) - March 17, 2026

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Public Safety - Licensed Firearms Dealers - Notification Regarding Compromising Events

BILL NUMBER: SB 160

PREPARED BY: Thomas Williams

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

There is no impact to small business.